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DEPARTMENT FOR EUR/AGS

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TAGS: [PGOV](#) [PREL](#) [GM](#)  
SUBJECT: Hesse Installs CDU Caretaker Government

REF: Frankfurt 0698; Berlin 0265

Sensitive but unclassified; not for internet distribution.

11. SUMMARY: After months of contentious political deadlock, the newly-elected Hesse parliament convened April 5 and, as expected, failed to elect a government. As dictated by the state constitution, the current CDU cabinet stays on as a caretaker government under the leadership of Roland Koch. This unpopular result is of little advantage to the ruling CDU, which will find it hard to achieve political objectives. Without a voting majority in the parliament, the way ahead is uncertain for all parties, with much speculation on whether the unwieldy system will force a break in the deadlock or if the parliament will vote to hold a new election. The Hesse stalemate demonstrates the political upheaval caused by the entrance of the Left Party into several western state parliaments, making the formation of traditional two-party coalitions more difficult. END SUMMARY.

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NO GOVERNMENT: WHAT NEXT?  
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12. Following the January 27 state election, the new Hesse Landtag (state parliament) was sworn in April 5. The Christian Democratic Party (CDU) and Social Democratic Party (SPD) each hold forty-two seats, while the Free Democratic Party (FDP) has eleven, the Greens nine and the newly-elected Left Party six. No parties were able to agree on the formation of a majority coalition in the time since the election. The SPD, most notably, failed to form a controversial minority government with the Greens supported by the Left Party when one of its own members said she would vote against it. The current all-CDU cabinet under Minister President Roland Koch can theoretically stay on as a caretaker government until the next scheduled election in 2013.

13. The new arrangement is unprecedented in Germany, as previous caretaker governments have typically had a largely reliable voting majority to work with, as was the case in Hesse in 1983 with the SPD and the Greens. Koch has said the current situation is less than perfect, but has promised to carry out any laws passed by the parliament even though the cabinet could, in theory, block legislation. The SPD, Greens and Left Party appear ready to quickly pass a law abolishing student higher education fees, which will test the cabinet's relationship with the parliament. On the national level, though, the CDU will continue to represent Hesse in the Bundesrat, the federal upper house of parliament, weakening the SPD's ability to press forward with demands for a national minimum wage.

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THE NEXT CAMPAIGN BEGINS?  
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14. Koch said last week that he cannot imagine a caretaker government lasting more than a year, highlighting the necessity of passing a budget this coming autumn as a critical moment that could

break the deadlock. After running a harsh campaign against the SPD and Greens, the CDU is now attempting to mend fences with the Greens to form a so-called "Jamaica" coalition together with the FDP. After refusing to shake hands with Green Party leader Tarek al-Wazir following a pre-election debate in January, Koch approached al-Wazir for a handshake at the parliament's opening session. The Greens remain very skeptical of cooperation with the CDU and will monitor closely how the CDU votes on issues important to them -- such as equal legal standing for homosexual couples -- to test the CDU's claims of good will.

¶5. Like the CDU, the SPD also has no clear way forward. After dissent within the SPD killed an attempt to form a controversial minority government with the Greens supported by the Left Party, the SPD ruled out a Grand Coalition with the CDU at a party convention on March 29. The majority of the SPD voted to support state Chair Andrea Ypsilanti and gave her permission to try to form a minority government later in the year. Juergen Walter, Ypsilanti's more conservative intra-party rival, resigned from the party's board at the convention in order to distance himself from the SPD leadership's leftward leanings. Revisiting the minority government with Left Party support option would likely be unpopular with the public and would undoubtedly reignite a firestorm of criticism inside the national SPD and further damage national SPD Party Chairperson Kurt Beck.

¶6. An April 5 Emnid poll gave the CDU 37% (unchanged from election night), the SPD 30% (down 6.7%), the FDP 12% (up 2.6%), Greens 10% (up 2.5%) and the Left 6% (up .9%). The results, which appear to reflect public disenchantment with the SPD's flirtation with the Left Party, would most likely translate into a CDU/FDP majority in the event of a new election. The ne Landtag could decide, by a simple majority vote to hold a new election at any time (although it remains unclear which parties would support such a proposal).

FRANKFURT 00001066 002 OF 002

¶7. COMMENT: The caretaker government is unloved by all sides, born out of necessity and an inability to reach a compromise. It faces a tough road ahead, risking political stagnation and public disenchantment. The alternatives, however (new elections or a breakthrough in coalition talks), are also fraught with risks. With federal elections looming in 2009, the situation in Hesse will have national as well as local implications (reftels). The entry of the Left Party into four western state parliaments has changed the political landscape. Traditional two-party coalitions, such as those between the CDU and FDP or between the SPD and Greens may not muster the numbers needed to govern. Political leaders from all the parties are recalculating their coalition options and leaving the door open to new possibilities. How this plays out in states such as Hesse and Hamburg will prove instructive on the national level. END COMMENT.

¶8. This cable was coordinated with Embassy Berlin.  
POWELL